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By: **Delegates Klausmeier, Boutin, Cane, Frush, Hammen, Hubbard,  
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Introduced and read first time: February 8, 2002

Assigned to: Environmental Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 2002

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **~~Health Care Practitioners—Credentials~~ Hospitals - Uniform Standard**  
3 **Credentialing Form**

4 FOR the purpose of requiring a hospital to use a uniform standard credentialing form  
5 as a condition of licensure; ~~requiring a uniform credentialing form to provide for~~  
6 ~~the collection of certain information for carriers, credentialing intermediaries,~~  
7 ~~and health care facilities; requiring a health care facility to accept the uniform~~  
8 ~~credentialing form as the sole application for a health care provider; requiring~~  
9 ~~the uniform credentialing form be made available to a health care provider that~~  
10 ~~is to be credentialed by a health care facility; authorizing the Insurance~~  
11 ~~Commissioner to impose a certain penalty to a health care facility for certain~~  
12 ~~reasons; altering certain definitions~~ requiring hospitals to use the uniform  
13 standard credentialing form as the initial application of a physician seeking to  
14 be credentialed; providing that the use of the uniform standard credentialing  
15 form does not preclude a hospital from requiring additional information;  
16 authorizing the Insurance Commissioner to permit a carrier to use a health care  
17 facility's credentialing form in certain circumstances; requiring the Secretary of  
18 Health and Mental Hygiene to consult with certain organizations in the  
19 development of the uniform standard credentialing form; defining a certain  
20 term; providing for a delayed effective date for certain provisions of this Act; and  
21 generally relating to a uniform standard credentialing form for a ~~health care~~  
22 ~~provider~~ hospitals.

23 BY repealing and reenacting, with amendments,  
24 Article - Health - General  
25 Section 19-319(e)  
26 Annotated Code of Maryland



(2000 Replacement Volume and 2001 Supplement)

~~BY repealing and reenacting, with amendments,~~

~~Article - Insurance~~

~~Section 15-112.1~~

~~Annotated Code of Maryland~~

~~(1997 Volume and 2001 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
MARYLAND, That the Laws of Maryland read as follows:

**Article - Health - General**

19-319.

(e) (1) IN THIS SUBSECTION, "UNIFORM STANDARD CREDENTIALING FORM"  
MEANS THE FORM DESIGNATED BY THE SECRETARY THROUGH REGULATION FOR  
CREDENTIALING PHYSICIANS WHO SEEK TO BE EMPLOYED BY OR HAVE STAFF  
PRIVILEGES AT A HOSPITAL.

(2) As a condition of licensure, each hospital shall:

(I) [establish] ESTABLISH a credentialing process for the  
physicians who are employed by or who have staff privileges at the hospital; AND

(II) USE THE UNIFORM STANDARD CREDENTIALING FORM  
PURSUANT TO § 15-112.1 OF THE INSURANCE ARTICLE AS THE INITIAL APPLICATION  
OF A PHYSICIAN SEEKING TO BE CREDENTIALLED.

(3) USE OF THE UNIFORM STANDARD CREDENTIALING FORM DOES NOT  
PRECLUDE A HOSPITAL FROM REQUIRING SUPPLEMENTAL OR ADDITIONAL  
INFORMATION AS PART OF THE HOSPITAL'S CREDENTIALING PROCESS.

(4) The Secretary shall, by regulation and in consultation with  
hospitals, physicians, interested community and advocacy groups, and  
representatives of the Maryland Defense Bar and Plaintiffs' Bar, establish minimum  
standards for a credentialing process which shall include:

(i) A formal written appointment process documenting the  
physician's education, clinical expertise, licensure history, insurance history, medical  
history, claims history, and professional experience.

(ii) A requirement that an initial appointment to staff not be  
complete until the physician has successfully completed a probationary period.

(iii) A formal, written reappointment process to be conducted at  
least every 2 years. The reappointment process shall document the physician's  
pattern of performance by analyzing claims filed against the physician, data dealing  
with utilization, quality, and risk, a review of clinical skills, adherence to hospital



1 bylaws, policies and procedures, compliance with continuing education requirements,  
2 and mental and physical status.

3           ~~(3)~~     (5)     If requested by the Department, a hospital shall provide  
4 documentation that, prior to employing or granting privileges to a physician, the  
5 hospital has complied with the requirements of this subsection and that, prior to  
6 renewing employment or privileges, the hospital has complied with the requirements  
7 of this subsection.

8           ~~(4)~~     (6)     If a hospital fails to establish or maintain a ~~credentialing~~  
9 CREDENTIALING process required under this subsection, the Secretary may impose  
10 the following penalties:

- 11                     (i)       Delicensure of the hospital; or
- 12                     (ii)      \$500 per day for each day the violation continues.

### 13                                     **~~Article—Insurance~~**

14 ~~15-112.1.~~

15     ~~(a)~~     ~~(1)~~     ~~In this section the following words have the meanings indicated.~~

16                     ~~(2)~~     ~~(i)~~       ~~"Carrier" means:~~

17                                     ~~1.       an insurer;~~

18                                     ~~2.       a nonprofit health service plan;~~

19                                     ~~3.       a health maintenance organization;~~

20                                     ~~4.       a dental plan organization; [or]~~

21                                     ~~5.       A MANAGED CARE ORGANIZATION AS DEFINED IN §~~  
22 ~~15-101(F) OF THE HEALTH—GENERAL ARTICLE;~~

23                                     ~~6.       A MANAGED CARE BEHAVIORAL HEALTH CARE~~  
24 ~~ORGANIZATION AS DEFINED IN § 15-127(A)(6) OF THIS TITLE; OR~~

25                                     ~~[5.]     7.     any other person that provides health benefit plans~~  
26 ~~subject to regulation by the State.~~

27                                     ~~(ii)      "Carrier" includes an entity that arranges a provider panel for a~~  
28 ~~carrier.~~

29                     ~~(3)~~     ~~"Credentialing intermediary" means a person to whom a carrier has~~  
30 ~~delegated credentialing or recredentialing authority and responsibility.~~

31                     ~~(4)~~     ~~"HEALTH CARE FACILITY" HAS THE SAME MEANING AS IN § 19-114 OF~~  
32 ~~THE HEALTH—GENERAL ARTICLE.~~



1           ~~[(4)]~~   (5)       "Health care provider" means an individual who is licensed,  
2 certified, or otherwise authorized under the Health Occupations Article to provide  
3 health care services ~~OR MENTAL HEALTH SERVICES.~~

4           ~~[(5)]~~   (6)       "Provider panel" means the providers that contract with a  
5 carrier to provide health care services to the enrollees under a health benefit plan of  
6 the carrier.

7           ~~[(6)]~~   (7)       "Uniform credentialing form" means the form designated by the  
8 Commissioner through regulation for use by a ~~[carrier or]~~ CARRIER, its credentialing  
9 ~~[intermediary]~~ INTERMEDIARY, OR A HEALTH CARE FACILITY for credentialing and  
10 recredentialing a health care provider for participation on a provider panel ~~OR FOR~~  
11 STAFF PRIVILEGES AT A HEALTH CARE FACILITY.

12       (B)       ~~THE UNIFORM CREDENTIALING FORM SHALL PROVIDE FOR THE~~  
13 ~~COLLECTION OF ALL INFORMATION THAT CARRIERS, CREDENTIALING~~  
14 ~~INTERMEDIARIES AND HEALTH CARE FACILITIES ARE REQUIRED TO COLLECT IN~~  
15 ~~ORDER TO MEET THEIR CREDENTIALING RESPONSIBILITIES UNDER STATE AND~~  
16 ~~FEDERAL LAW, AND ALL INFORMATION REQUIRED BY A HEALTH CARE FACILITY FOR~~  
17 ~~PURPOSES OF GRANTING STAFF PRIVILEGES.~~

18       ~~[(b)]~~   (C)       (1)       A carrier or its credentialing intermediary shall accept the  
19 uniform credentialing form as the sole application for a health care provider to  
20 become credentialed or recredentialled for a provider panel of the carrier.

21       (2)       A HEALTH CARE FACILITY SHALL ACCEPT THE UNIFORM  
22 CREDENTIALING FORM AS THE SOLE APPLICATION FOR A HEALTH CARE PROVIDER.

23       ~~[(2)]~~   (3)       A carrier or its credentialing intermediary shall make the  
24 uniform credentialing form available to any health care provider that is to be  
25 credentialed or recredentialled by that carrier or credentialing intermediary ~~OR BY A~~  
26 HEALTH CARE FACILITY.

27       ~~[(c)]~~   (D)       The Commissioner may impose a penalty not to exceed \$500 against  
28 any carrier for each violation of this section by the ~~[carrier or]~~ CARRIER, its  
29 credentialing intermediary, ~~OR HEALTH CARE FACILITY.~~

30       ~~[(d)]~~   (E)       (1)       The Commissioner shall adopt regulations to implement the  
31 provisions of this section.

32       (2)       In adopting the regulations required under paragraph (1) of this  
33 subsection, the Commissioner shall consider the use of an electronic format for the  
34 uniform credentialing form and the filing of the uniform credentialing form by  
35 electronic means.

36       SECTION 2. AND BE IT FURTHER ENACTED, That ~~until such time as the~~  
37 Insurance Commissioner, ~~in collaboration with the Secretary of Health and Mental~~  
38 Hygiene, has revised the regulations to meet the new requirements of this Act, may  
39 permit a carrier may to use a health care facility's credentialing form to credential  
40 providers at that facility instead of the uniform form, if the carrier has designated the



1 health care facility as the credentialing intermediary for the health care facility's  
2 physicians.

3       SECTION 3. AND BE IT FURTHER ENACTED, That, ~~in modifying the~~  
4 ~~uniform credentialing form to reflect the new requirements in this Act, the Insurance~~  
5 ~~Commissioner, in collaboration with the Secretary of Health and Mental Hygiene,~~  
6 ~~shall consult with carriers, managed care organizations, the Maryland Hospital~~  
7 ~~Association, and the Maryland State Medical Society to ensure all necessary~~  
8 ~~information is included in the uniform credentialing form~~ the Maryland Hospital  
9 Association, the University of Maryland Medical System, the Johns Hopkins  
10 University Hospital, the Medical and Chirurgical Faculty of the State of Maryland,  
11 the Medical Group Management Association, the Mid-Atlantic Association of  
12 Community Health Centers, and other affected parties in developing a uniform  
13 standard credentialing form, for purposes of § 19-319(e) of the Health - General  
14 Article as enacted by this Act, that is to be used for the uniform and consistent  
15 collection of the basic information required by all hospitals as part of the  
16 credentialing process.

17       SECTION 4. AND BE IT FURTHER ENACTED, That in conjunction with the  
18 process of developing a uniform standard credentialing form under Section 3 of this  
19 Act, the Secretary shall examine methods to address delays in carrier processing of  
20 physicians' initial applications for credentialing.

21       SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
22 take effect July 1, 2003.

23       ~~SECTION 4. 6.~~ AND BE IT FURTHER ENACTED, That, except as provided in  
24 Section 5 of this Act, this Act shall take effect July 1, 2002.